

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

Procurement Instruction Memorandum No. 99-13 REVISION Jan. 7, 2000

Cory m. Richa

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Corey M. Rindner, Director

Office of Procurement

SUBJECT: Cost Savings Addition to ICAR

PIM No. 99-13, dated October 12, 1999 has been revised to include additional information regarding the computation of cost savings. The revised information has been highlighted.

Effective 1st quarter of FY2000, all bureau procurement offices shall compute and report dollars saved through competition and/or negotiation of each acquisition reported through the new Department of the Treasury TADS Input Form, TD F 76-06.09. A copy is attached for your convenience in identifying the new block 49f that has been added to report cost savings.

The following guidelines are established for calculating cost savings and reporting them using TADS. Previously cost savings were reported every two years on the Self-Assessment Surveys under the Balanced Scorecard Survey process. This new TADS field will provide real time reporting of cost savings, using a uniform format within the bureaus.

Cost savings shall be calculated for all negotiated acquisitions, solicited as full and open competition or other than full and open competition, when discussions are conducted. Sealed bidding acquisitions and negotiated acquisitions where award was made without discussions will be reported as \$0 cost savings. All options quantities, option years, and maximum quantities should be considered in your computations. Consequently, all actions that reportable on the Department of the Treasury TADS Input form that are negotiated are covered under this PIM. A copy of the form is attached for your reference.

Compute cost savings as: The difference between the final negotiated award price (including options and/or estimated quantities) and the initial offered price (including options and/or estimated quantities). Each contract file shall include written documentation, including this calculation for deriving the cost savings dollar amount. For the purpose of data collection, this calculation should be the standard for all Treasury procurement offices; however, we do recognize that there may be other incidents that warrant a deviation. Cost savings may

also include measurable and verifiable savings that result from the deliberate efforts of procurement personnel on their own or in concert with their clients and/or project teams.

There may be other methods to calculate savings resulting from your efforts such as negotiating volume discounts, consolidating requirements, the use of lease versus buy or make versus buy decisions, etc. I encourage your resourcefulness as long as the figures reported are measurable and verifiable, with the basis for calculation <u>clearly</u> documented in the file. **This documentation will be reviewed during our on-site visits that are discussed in PIM No. 99-14.**

All contracting personnel should begin inputting this new data field on the **Department of the Treasury TADS Input Form** for actions commencing October 1, 1999. Questions may be addressed to Terri Toplisek at (202 622-1241, or e-mail to terri.toplisek@do.treas.gov. Technical questions/issues should be addressed to Lou Masciocchi at (202) 6585, or e-mail to louis.masciocchi@do.treas.gov.

Attachment

cc: TPDS Coordinators

Department of the Treasury TADS Input Form

Note: For modifications or delivery/task orders, only shaded fields need be completed if an action for this contract has previously been reported to TADS. Write or type all zeroes as 0. All dollar entries must be rounded to the nearest thousand, (e.g. \$50,450 is entered as 50, \$50,650 is entered as 51).

2. Contract Number 4.Contracting Office O	rder Number 3. Modification Number		
1. Reporting Agency 5. Contracting Office Code 6. Action Date (YYYYMMDD) 8. Report Period(YYYYQ) 7. Type of Data Entry			
	A.Original B. Deleting C. Correcting		
9.Kind of Contract Action A. Initial Letter Contract B. Definitive Action Superceding Letter Contract C. New Definitive Contract D. Purchase Using Simplified Acquisitions E. Order under single award Indef. Del. Contract F. Order under BOA G. Order/Modification under federal Schedule H. Modification (report B for mods definitizing a letter contract) J. Termination for Default K. Termination for Convenience L. Order under multiple Award Contract Z. Reserved			
10. Dollars Obligated or Deobligated this Action11. Type of Obligation12. Principal Product or(whole \$ only. If deob, precede with minus sign)a. Obligationb. AppropriationService Code			
\$, , , , , , , , , , , , , , , , , , ,	A. Appropriated B. Nonappropriated		
13. Principal Standard Industrial Classification Completion Date (YYYYMMDD) 49c. RFC Receipt Date (YYYYMMDD) 49d. RFC Ready Date (YYYYMMDD)	D. Estimated Completion Date, For Contracts With Option (YYYYMMDD)		
49e. Procurement Complexity 1. High 2. Medium 3. Low 49f. Cost Saving \$,000 (whole \$ only)			
15. Contractor Name (If classified, write "Treasury, United States Dept of") a.			
16. Contractor Identification Number (CIN) A. Small Disadvantaged Busines B. Other Small Business C. Large Business D. JWOD Nonprofit Agency E. Educational Institution F. Hospital G. Nonprofit Organization H. Reserved 50a. Contractor Key Personnel (Last, First) (If classified, write "Kuhn, Annelie")	SS J. Reserved K. State/Local Government L. Foreign Contractor M. Domestic Contractor Performing Outside U.S. O. Large Minority P. FIRREA WOLB (OCC and OTS Only) U. Historically Black College/University or Minority Institution (HBCU/MI)		
15. Street Address or Box Number (If classified, write "1310 G ST NW Ste 400W")			
b			
City (If classified, write "Washington", "DC", "200053000") Sta d.	te /Country Zip Code e		
38. Common Parent's Name			
39. Common Parent's TIN 40. Reserved for FPDS 41. Reserved for FPDS			
17 Principal Place b. City, Place, or County c. Foreign of Performance a. State/Country T - Yes			
N – No	N – No		

J. Firm Fixed-Price K. Fixed-Price with Economic Price Adjustment L. Fixed-Price Incentive Y. 7	Cost Sharing Manufacture Cost-Plus-Fixed-Fee Cost-Plus-Incentive-Fee Time and Materials Labor Hours	23. Synopsis of Procurement Prior to Award A. Synopsized prior to award B. Not Synopsized due to urgency C. Not Synopsized for other reasons
25. CICA Applicability A. CICA Applicable (Includes 8(a)) B. Purchase Using Simplified Acquisition Procedures C. Subject to Statue Other than CICA D. Pre – CICA E. Commercial Item Acquisition Under Test Program	26. Solicitation Procedures A. Full and Open Competition – Sealed Bid B. Full and Open Competition – Competitive C. Full and Open Competition – Combinatio D. Architect – Engineer E. Basic Research Proposal F. Multiple Award Schedule	
27. Authority for Other than Full and Open Competition A. Unique Source B. Follow – On Contract C. Unsolicited Research Proposal D. Patent/Data Rights E. Utilities F. Standardization G. Only One Sour H. Urgency J. Mobilization, E K. Reserved		L. International Agreement M. Authorized by Statute N. Authorized Resale P. National Security Q. Public Interest
28. Number of Offers Received A. 1	G. Over 50 29. Extent Competed A A. Competed A B. Not Available	ctions C. Follow – On to Competed Action le for Competition D. Not Competed
Business Business Concern A. Wa Y - Yes P. No B. Res C. Ser D. Dav E. Not E. Not C. Ser D. Dav C. Ser D. Dav Dav Dav C. Ser D. Dav Dav C. Ser D. Dav Da	eserved rvice Contract Act avis – Bacon Act (construction) B. HUBZone C. HUBZone D. Combines	e Sole Source e Set-Aside ! Price Evaluation Preference Award ! HUBZone Preference/Small Disadvantaged Price Adjustment
B. 8(a) w/ HUBZone Priority C. SDB Set-Aside D. SDB Price Evaluation Adjustment B. Small Busin C. Buy Indian D. No Preferen	o JWOD Nonprofit Agency	
50. Contract Specialist (Lord Fine)		
50c. Contract Specialist (Last, First)		
50d. Telephone Number 51. Bra	ranch Code 14. a. Commercial Item Y - Yes N - No	Acquisition b. Classified Y - Yes N - No
Y - Yes N -No	42. Demonstration Program Y - Yes N - No	43. Emerging Small Business Y - Yes N - No
44. Emerging Small Business Reserve Award Y - Yes N - No A. 50 or less B. 51 - 100 C. 101 - 250 D. 251 - 500		Z. over \$17,000,000
34. Subcontracting Plan (Equals A if overall contract estimated value Is over \$500k or \$1 M if construction) A. Required B. Not Required	6. Reserved for FPDS 48. Reserved for	r FPDS
47. Optional Reported Data Elements (Leave Blank) 49 a. Total Contract Dollar Value if all funds for all options and all delivery or task orders were placed		
\$,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(whole \$ only)

Date

Signature